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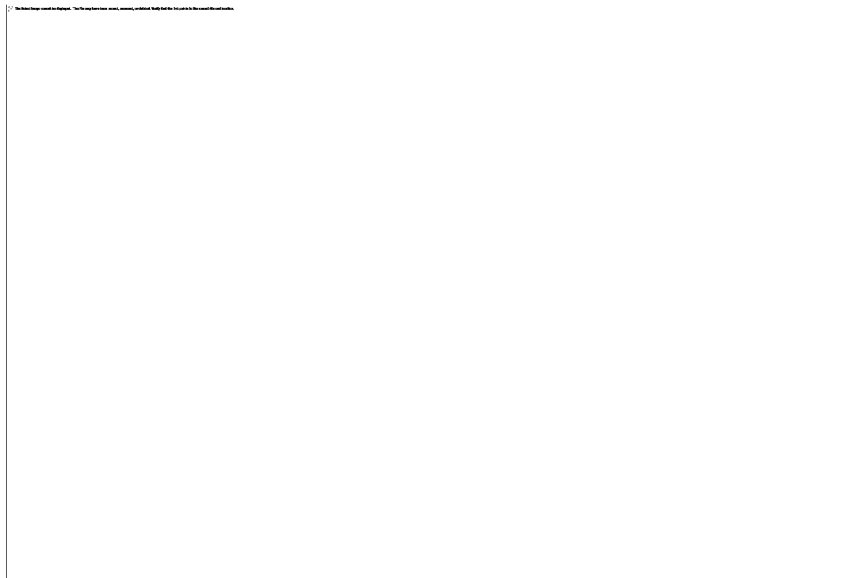
**From:** Minter, Douglas [Minter.Douglas@epa.gov]  
**Sent:** 3/30/2015 9:13:08 PM  
**To:** Chin, Lucita [Chin.Lucita@epa.gov]; Shea, Valois [Shea.Valois@epa.gov]; Hanley, Jim [Hanley.James@epa.gov]; Hoskie, Sadie [Hoskie.Sadie@epa.gov]  
**CC:** McClain-Vanderpool, Lisa [Mcclain-Vanderpool.Lisa@epa.gov]  
**Subject:** FW: Powertech - Federal board delays decision on uranium mining - From the Rapid City Journal - 3.22.2015  
**Attachments:** removed.txt

fyi

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**From:** Markley, Bill [mailto:Bill.Markley@state.sd.us]  
**Sent:** Monday, March 30, 2015 3:06 PM  
**To:** Minter, Douglas  
**Subject:** FW: Powertech - Federal board delays decision on uranium mining - From the Rapid City Journal - 3.22.2015

# Federal board delays decision on uranium mining



*In a meeting in the fall of 2012, Powertech's Dewey Burdock uranium mine Project Manager Mark Hollenbeck, left, listens as Rapid City resident Jim Petersen talks about the potential damage and dangers that he believes come with operating the mine in southwestern South Dakota.*

March 22, 2015 6:00 am • Andrea J. Cook Journal staff

Supporters and opponents of uranium mining in southwest South Dakota will have to wait longer than expected for the federal Atomic Safety and Licensing Board to decide whether Powertech can mine in the Dewey-Burdock area of Custer and Fall River counties.

The original deadline for a decision was March 10; now the board is saying it will decide by April 30.

The board did not explain the delay.

Azarga Uranium, of which Powertech is now a subsidiary, wants to use in situ leach recovery, often referred to as ISL, to extract uranium from underground formations in Dewey-Burdock. The Hong Kong-based Azarga plans to drill wells to reach water that it will then re-inject into the earth to free trapped uranium.

Powertech's source-materials license from the Nuclear Regulatory Commission is on hold while the licensing board evaluates objections filed by opponents.

"I'm disappointed, but not terribly," said Dewey-Burdock Project Manager Mark Hollenbeck of Edgemont. Hollenbeck said the regulatory agency is rarely able to make its deadlines.

"We're approaching the point where it is taking twice as long to permit this project as to win World War II," said Hollenbeck, who started working with the project in 2007.

The Oglala Sioux Tribe and a group known as the Consolidated Intervenorers have objected to the Nuclear Regulatory Commission's decision to issue a license for the mining project. Last August, the Atomic Safety and Licensing Board held hearings in Hot Springs and Rapid City to take testimony on the objections.

During those hearings, the three-member board learned that Powertech had failed to report that it possessed thousands of records of drilling the Tennessee Valley Authority did in Dewey-Burdock. The board ordered Powertech to make those records available to its opponents.

Over the next several months, the board received numerous filings from the opposing factions before closing the record in December.

Bruce Ellison, of Rapid City, an attorney representing the Consolidated Intervenorers, said the licensing board received a significant amount of information following the August hearings when the information surfaced that Powertech had TVA logs for the majority of 6,000 boreholes drilled.

Ellison said in an email the board learned that Powertech had presented the logs for only 34 of the 6,000 boreholes. The NRC staff, Ellison wrote, could use the additional logs "to determine the geohydrological characteristics of the proposed mine sites."

Hannan LaGarry, a geologist consulting for the Consolidated Intervenorers, submitted statements to the licensing board that Powertech's tiny sampling was mathematically and scientifically inadequate.

"Powertech maintains that the two aquifers it wants to mine in the Southern Hills are minimally hydrologically connected through one unplugged old borehole and that there are no fractures in the rock of the proposed mining areas," Ellison said. "Dr. LaGarry, upon reviewing about half of the newly disclosed drilling logs, found numerous showing the existence of faults in the area and not one, but many boreholes not properly plugged, which will make the area unsuitable for (in situ leach) mining as the foreign company will not be able to control the highly toxic and carcinogenic mining fluids."

Ellison said the board must now decide whether to send the whole matter back to the NRC staff to re-evaluate the potential environmental impact of the project or to issue the source license.

The board may also be looking at new Environmental Protection Agency regulations governing in situ leach mining that recognize the risk for groundwater contamination through the process, Ellison said.

Meanwhile, Azarga's stock continues to hover around 40 cents per share on the Canadian stock exchange, while the company waits to complete federal and state permitting for the project.

Powertech still hopes to begin mining toward the end of the year or early in 2016, if the permitting process is completed, Hollenbeck said.

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